

**WORKING CAPITAL FUND BOARD
Minutes of the Meeting
November 17, 2005**

I. Introductions

The Board Chair, Howard Borgstrom called the meeting to order.

II. Approval of Minutes of the May 18, 2005 meeting.

The Board adopted the minutes of the May 18 meeting without comment.

III. FY 2005 Annual Report

Howard presented an overview of the FY 2005 Annual report. The fund operated with net earnings of \$4.6 million or 4.6% of earnings. He reported that the financial condition of the fund is sound. Over nine years of operations earnings of \$791 million have exceeded expenses by \$8.4 million, slightly more than 1%. This funding acts as working capital during continuing resolutions and is available to invest in updating the network, if the Board determines the need. The Board accepted the report as submitted without exception.

IV. WCF Governance Issues

Howard discussed the need for new relationships between the Fund and the parent organizations with line responsibility for Fund businesses. The Board approved the recommendation to add the Office of Management and the Office of Human Capital to standing Board membership. The Chair will forward the recommendation to the Deputy Secretary for his approval.

The new dotted line reporting relationship with existing businesses requires more formal internal financial procedures to ensure timeliness and integrity of the data transfers between the Fund Manager and Fund businesses. Based on the deliberations of the related working group, the Fund manager proposed joining various functions of business line management under the title of Business Line Manager and eliminating reference to a Business Line Fund Manager in the "Guide to Services, Policies and Procedures". The fund manager and any other residual title used by other line organizations will be eliminated and any respective duties joined under the designated business line manager. The Board approved this change to the "Guide..."

V. Working Group Status Reports

Real Property Asset Management Training: Nestor Folta proposed that the subject training be added to the Project Management Career Development

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Training business line and merged into its existing pricing policies. These allow the business to collect \$200/day per participant to courses and negotiate charges for custom delivery of courses. The Board approved the request.

Transit Subsidy: Jerry Odegard proposed that transit subsidy be added to the Payroll business line. The Board accepted the policy of financing the employee benefit for transit subsidy in the fund as a segment of the Payroll business line with the caveat that programs will be allowed to review lists of benefactors and determine that the charges are, in fact, properly charged to their accounts. The pricing policy for this segment will charge customer organizations in the current fiscal year for actual amounts incurred on the benefit during the past fiscal year. The estimate for FY 2006 is FY 2005 actual charges from payroll and the labor distribution prorated to cover the specific time period for charges. Budget estimates to be revised early December will not reflect this change because the amounts are already budgeted in the payroll requirements for each organization.

VI. FY 2007 Budget Process

Howard discussed FY 2007 budget items that were added to the Fund at the discretion of the Deputy Secretary during the budget review: External Independent Reviews and Financial Reporting Control Assessment. Copies of the WCF Budget Request were distributed to the Board along with tables indicating each program's budget estimate. There was a discussion of the first use of program funds in the WCF and the need to keep a fence separating these funds from program direction funding. The Board also asked that if this funding is approved in appropriations, the Fund Manager look at other, programmatically funded items (contract audits) for inclusion in the fund.

VII. Efforts to Utilize STARS/IDW

Bob Emond discussed efforts in the Fund Manager's office to accommodate STARS. The billing system has been modified to obligate customer funds and charge those accounts when the billing is processed each month. This office is also working with EFASC to provide the customer organization with reports that resemble legacy reports from DISCAS. We are interested in customer feedback to help improve the reporting of financial transactions to our program customers.

VIII. The Board voted to adjourn.

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Representing the Board

EI Steve Durbin
Chair Howard Borgstrom
SSA Lesley Gasperow
GC Susan Beard
RW David Bugg
EM Jim Simpson
NE Susan Harlow
SC Vicki Barden

Attendees:

John Bullock – IM
Lang Soo Hoo – NE
Maria Jones – FE
Keller Staley – TMS
Mia Anderson – IN
Jerry Venanzi - HR
Rose Jordan - MA
Barbara McNeal - CF
Bob Emond - CF
Ronald Mayo - CF
Jeff Rubenstein - MA
Louis D'Angelo – MA
John Harrison – MA
Nestor Folta – MA
Steven Rossi - MA
Willie Mae Ingram - MA
Jerry Odegard - CF
Michel Fraser - CF